

## Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 ARAE-00 SSO-00 USIE-00 CIAE-00 COME-00

EB-11 INR-11 LAB-06 NSAE-00 RSC-01 SIL-01 INRE-00

AID-20 IGA-02 PRS-01 DRC-01 /075 W

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FM AMEMBASSY MONTEVIDEO

TO SECSTATE WASHDC IMMEDIATE 6917

C O N F I D E N T I A L MONTEVIDEO 2017

E.O. 11652: GDS

TAGS: ELAB, UY

SUBJ: AIFLD PROGRAM IN URUGUAY

REF: A) MVD 1626

B) STATE 151894

1. SUMMARY: WHILE DOES NOT DIFFER SIGNIFICANTLY  
WITH AIFLD JUDGMENTS AS TO THE QUALITY OF NEW URUGUAYAN  
LABOR LEADERSHIP, AS OUTLINED IN REFTEL B, IT EMPHATICALLY

DOES NOT AGREE THAT "CONDITIONS IN URUGUAY ARE BETTER  
NOW THAN THEY HAVE EVER BEENFOR ACCOMPLISHING AIFLD  
OBJECTIVES", PARTICULARLY SINCE IT IS ASSUMED THAT WE  
WOULD ALL DESIRE ANY ACCOMPLISHMENT TO BE ENDURING.  
EMBASSY REMAINS FIMRLY CONVINCED THAT THE CT ANALYSIS,  
BASED ON POLITICAL CONSIDERATIONS, VALUATION AND  
JUDGMENT IS CORRECT AND THAT THE PROGRAM SHOULD BE  
TERMINATED PROMPTLY. CONCERNING THE PROPOSAL MADE IN  
REFTEL B, WE HAVE NO OBJECTION TO GRANTING ADDITIONAL  
TIME UNTIL OCTOBER 15 IN ORDER TO PERMIT AN ORDERLY  
PHASE-OUT. HOWEVER, PROMPT INSTRUCTION BY THE DEPART-  
MENT TO NOTIFY THE GOU OF THE TERMINATION OF THE PROGRAM  
IS ESSENTIAL AS AIFLD TACTICS HAVE PUT THIS EMBASSY IN  
AN INCREASINGLY DIFFICULT POSITION.

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2. THE EMBASSY DOES NOT DISPUTE THAT THE NEW LEADERSHIP OF THE CGTU IS CAPABLE AND THAT IT MAY BE ABLE TO WORK OUT, ON A BASIS ACCEPTABLE TO IT, A MODUS VIVENDI WITH THE GOU. NEVERTHELESS, THE CT DOES NOT BELIEVE THAT UNDER CURRENT AND ENSUING CONDITIONS THIS WILL ATTRACT BROAD AND ENDURING LABOR SUPPORT. THE CT BELIEVES THAT ITS ANALYSIS OF THE POLITICAL SITUATION AND THE PROBABLE FUTURE POLITICAL DIRECTION OF THE GOU IS CORRECT, THAT IT IS IN THE BEST POSITION TO MAKE THIS JUDGMENT ON A FULLY OBJECTIVE BASIS, AND THAT THE CONDUCT OF THE AIFLD PROGRAM UNDER THESE CIRCUMSTANCES WOULD IN THE LONG RUN BURN BOTH THE DEMOCRATIC LABOR MOVEMENT AND DAMAGE THE USG INTEREST IN THIS AREA. WE DO NOT SEE A FAVORABLE ENVIRONMENT FOR A "FREE" LABOR MOVEMENT AND REITERATE OUR FIRM AND UNANIMOUS BELIEF THAT TRADE UNION LEADERS IDENTIFIED WITH US, AND AT LEAST TO A DEGREE WITH THE MILITARY-DOMINATED GOU DURING A PERIOD OF NON-TRADITIONAL

AUTHORITARIANISM, WILL ULTIMATELY BE REJECTED BY THE WORKING CLASS IN URUGUAY WHEN THIS COUNTRY RETURNS TO FULL PARTICIPATORY DEMOCRACY, WHEN OPEN AND COMPETITIVE FREE TRADE UNIONISM BECOMES A POSSIBILITY, AND WHEN AN UNFETTERED PRESS AND UNRESTRICTED INTELLECTUAL COMMUNITY ARE FREE AGAIN TO COMMENT ON THESE MATTERS. DURING THIS PERIOD OF UNPREDICTABLE DURATION, THEREFORE, WE ARE AGREED THAT U.S. INTERESTS AND OBJECTIVES IN THE LABOR FIELD CAN BEST BE FURTHERED BY SOME APPROACH OTHER THAN BY THE OPEN, AIFLD FORMULA. AS INDICATED IN OUR ORIGINAL RECOMMENDATION, THIS CT REMAINS OPEN-MINDED AS TO HOW SUCH APPROACHES CAN BE MOUNTED BY MEANS NOT INCLUDING AN AIFLD PRESENCE.

3. WE HAVE NO OBJECTION TO PROVIDING AIFLD WITH EXTRA TIME NEEDED FOR AN ORDERLY PHASE-OUT AND, OF COURSE, WOULD PREFER IT TO BE ORDERLY. HOWEVER, PROMPT INSTRUCTIONS IN SUPPORT OF THE EMBASSY'S RECOMMENDATION FOR THE TERMINATION OF THIS PROGRAM ARE NOW ESSENTIAL. AIFLD'S

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TACTICS IN MAKING PUBLIC WHAT SHOULD HAVE BEEN A MEASURED, CONFIDENTIAL CONSIDERATION WITHIN THE USG HAS PUT US IN AN INCREASINGLY DIFFICULT POSITION. OUR RECOMMENDATION TO THE SECRETARY OF STATE, BASED ON POLITICAL JUDGMENTS WHICH NATURALLY CANNOT BE POPULAR WITH THE GOU OR WITH INTERESTED LABOR PARTIES HERE, HAVE BEEN SPREAD THROUGHOUT URUGUAY. IN ADDITION, DUE TO THE GENERAL CURRENCY

APPARENTLY GIVEN OUR MESSAGE DURING THE AIFLD CPD MEETING IN PANAMA (WHICH MESSAGE WAS NEVER REPEATED TO PANAMA BY THIS EMBASSY), WE UNDERSTAND THAT OUR RECOMMENDATION IS BEING DISCUSSED IN LABOR CIRCLES THROUGHOUT THE HEMISPHERE.

4. BECAUSE OUR RECOMMENDATION WAS SO MISUSED, LABOR, GOVERNMENT, AND EVEN MILITARY CIRCLES HERE ARE DISCUSSING IT, OFTEN IN GARBLED FORMS, IMPUTING DAMAGING ACTIONS AND/OR MOTIVES TO THE USG AND SPECIFICALLY TO THIS EMBASSY.

WHAT SHOULD HAVE BEEN EVENTUALLY PRESENTED, WERE IT PROPERLY HANDLED, AS A FIRM AND FINAL DECISION OF THE USG IS BEING SPREAD AROUND AS A KIND OF ANTI-URUGUAYAN INITIATIVE BY THIS EMBASSY. UNTIL A DECISION IS MADE IN WASHINGTON, WE CANNOT EVEN ATTEMPT TO PUT MATTERS IN THEIR PROPER PERSPECTIVE. THE FACT THAT INTERESTED PARTIES HERE ARE OPPOSED TO THE CLOSING OF AIFLD DOES NOT IN ANY WAY SURPRISE THIS CT, AS SUCH A REACTION WAS FULLY CONSIDERED IN MAKING ITS ORIGINAL DECISION. WHAT WE DID NOT CONSIDER AND COUNT ON WAS THAT OUR COURTEOUS DESIRE TO INFORM THE LOCAL AIFLD REPRESENTATIVE OF OUR DECISION AND RECOMMENDATION WOULD HAVE BEEN HANDLED AS IT HAS BEEN. UNHAPPILY WE ASSUMED

THAT CONFIDENTIALITY WOULD HAVE BEEN RESPECTED UNTIL A FIRM AND FINAL USG DECISION WAS MADE AND THAT NECESSARY AIFLD INPUTS INTO THIS PROCESS WOULD LIKEWISE HAVE BEEN MADE ON THE SAME BASIS. AIFLD-GENERATED PRESSURES COULD WELL CAUSE THE PRESIDENT AND/OR OTHERS IN THE GOU TO CALL THE AMBASSADOR IN TO DISCUSS THIS MATTER, WHICH IN CONFIDENTIAL

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THE ABSENCE OF FIRM INSTRUCTIONS WOULD PUT HIM IN EMBARRASSING POSITION. WE THEREFORE NOW URGENTLY REQUEST INSTRUCTIONS TO INFORM THE GOU AND OTHER INTERESTED PARTIES OF THE TERMINATION OF PROGRAM.

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## Message Attributes

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**Concepts:** INSTRUCTIONS, LABOR INSTITUTES, PROGRAMS (PROJECTS), LABOR UNION OFFICIALS, LABOR OBJECTIVES, FOREIGN POLICY POSITION, PROPOSALS (BID)  
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